

CHAPTER 1
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CHAPTER 1

GENERAL INFORMATION

1. ESTABLISHMENT OF THE CURRENT ABANDONED VEHICLE ABATEMENT (AVA) PROGRAM.

a. Historical Perspective. California established a statewide Abandoned Vehicle Abatement (AVA) Program with the enactment of California Vehicle Code (VC) Sections 9250.7 and 22710. Section 9250.7 VC provided a funding source for the program through the establishment of a one-time, one dollar service fee on all vehicles registered in California during 1973. Section 22710 VC established the operational requirements, including the requirement for the California Highway Patrol (CHP) to administer the program. Between 1973 and 1975, the amount of interest earned on the balance in the Abandoned Vehicle Trust Fund exceeded the amount needed to maintain the program. By 1978, the amount in the trust fund was no longer sufficient to continue the AVA Program at the level which then existed. In 1978, the Legislature appropriated 3 million dollars from the Motor Vehicle Account to the trust fund to continue the program for the 1978-1979 and 1979-1980 Fiscal Years. In 1980, the Legislature added 1.4 million dollars to the budget to fund the program for the 1980-1981 Fiscal Year. The Legislative Analyst also prepared a report which analyzed the costs and benefits of the program. The report recommended that legislation be enacted to terminate the state's responsibility for funding and administering the program, or that the reimbursement to cities and counties be at a constant rate reflecting the costs incurred by more efficient local agencies. The Legislature recognized that the problem of abandoned vehicles was continuing to grow, creating a public nuisance, a health and safety hazard, and that local governments lacked sufficient resources to adequately address the problems. Between 1981 and 1989, the Legislature enacted legislation designed to aid local governments with recovery of costs associated with the removal and disposition of abandoned vehicles from private property. Additionally, the Legislature enacted legislation specifying the presumption that the last owner of record is responsible for a vehicle found abandoned. Even though these measures were helpful to local governments, they still did not provide local governments with sufficient resources to deal with the growing abandoned vehicle problem.

b. Establishment of the Statewide AVA Program. In 1990, legislation which repealed and replaced Sections 9250.7 and 22710 VC was enacted into law. Generally, Section 9250.7 VC provided, for a period of five years, a funding source for the abatement of abandoned vehicles by county-based Service Authorities (hereinafter referred to as "Authority"), pursuant to the provisions of Section 22710

VC. In 1995, legislation revised Sections 9250.7 and 22710 VC. Section 9250.7 VC extended the funding source for the abatement of abandoned vehicles by a county-based Authority for an additional five years. This extended the fee and continuous appropriation period for a total period of ten years. Section 9250.7 VC also mandated that any funds received by an Authority that are not used to abate vehicles within 90 days of the close of the fiscal year in which the funds were received, were to be returned to the State Controller's Office (SCO) for deposit in the Motor Vehicle Account. Section 22710 VC required the CHP to provide guidelines and reporting requirements to the Authority. Section 22710 VC also mandated the withholding of AVA funds for one calendar year from an Authority when an Authority failed to provide its quarterly report as required in Section 22710(d)(2) VC.

2. Legislation Impacting the Current Statewide AVA Program. In 2001, Senate Bill 106 revised VC Sections 9250.7 and 22710 as follows:

(1) Section 9250.7 VC

(a) Each Authority is required to submit a fiscal year-end report to the SCO on or before October 31st of each year. The report must summarize total revenues received for the previous year, total expenditures for the previous fiscal year, total number of vehicles abated during the previous year, the average cost per abatement during the previous fiscal year, and any additional unexpended fee revenues for the previous fiscal year. An Authority that fails to submit a report by November 30th will have funding fees suspended for the following fiscal year.

(b) The SCO will review the fiscal year-end reports to determine that the revenues are being utilized in a manner consistent with the Authority's program and has the authority to suspend fees if they are not.

(c) Fees may not be suspended unless the Authority has been in existence for at least two full fiscal years.

(d) The SCO shall submit a report outlining total revenues, total expenditures, unexpended revenues, total number of vehicles abated, and average cost per abatement to the Legislature by January 1st of each year.

(e) An Authority may extend the program sunset date up to 10 years by a two-thirds vote of the county board of supervisors and a majority of the cities having a majority of the incorporated population within the county adopting resolutions providing for the extension.

(2) Section 22710 VC

(a) Each Authority receiving funds from the Abandoned Vehicle Trust Fund is required to report to the office of the SCO on an annual basis.

3. STATE DEPARTMENT RESPONSIBILITIES

a. California Highway Patrol

(1) The Department shall provide guidelines for an abandoned vehicle abatement program.

(2) The Department reviews and approves abandoned vehicle abatement programs submitted by an Authority prior to submission to the SCO.

b. State Controller's Office

(1) Upon receipt of a CHP approved abandoned vehicle abatement plan from an Authority, the SCO will contact Department of Motor Vehicles (DMV) for fund appropriation to the submitting service authority

(2) Determine the suspension of an Authority, which has been in existence for at least two full fiscal years, and notify DMV of the one fiscal year suspension for any of the following:

(a) An excess of revenue fees.

(b) Fee revenues which are inconsistent with an Authority's plan.

(c) An Authority has not submitted a fiscal year-end report.

(3) Review fiscal year end reports submitted by an Authority to ensure fee revenues are consistent with program guidelines as approved by the CHP.

(4) Prepare and submit an annual revenue and expenditure summary report for each Authority to the Legislature.

(5) Receive any unexpended abandoned vehicle abatement funds from an Authority prior to the close of the fiscal year.

c. Department of Motor Vehicles

(1) Transmission of the service fee, established under Section 22710 VC, to the Treasurer for deposit in the Abandoned Vehicle Trust Fund.

(2) Suspend an Authority's service fees for one fiscal year upon notification by the SCO.